

GENERAL INSTRUCTIONS FOR WEB BASED ELECTRONIC SURPLUS LINES FILINGS

The information listed below can be used as a general guide to entering information in the Web Based Electronic Surplus Lines Filing. The first step is to access the entry system at the Commissioner of Securities and Insurance, Montana State Auditor (CSI). The screen will appear as listed below.

1. The surplus lines agent accesses the electronic input screens at <http://sao.mt.gov/>



Links to Recent CSI Initiatives

- Insure Montana
- **NEW Surplus Lines**

Welcome to the Office of the Commissioner of Securities and Insurance, Montana's State Auditor

We serve as the State Government watchdog for the citizens of Montana in the insurance and securities industries. The Commissioner of Securities and Insurance's office is a criminal justice agency charged with protecting Montana's consumers through insurance and securities regulation and also through informing the public about insurance and securities issues. Monica Lindeen is serving her first term as Montana Commissioner of Securities and Insurance.



Meet Monica Lindeen



2. The next selection for the agent is: **NEW Surplus Lines** or <http://sao.mt.gov/Surplus%20Lines/surpluslines.asp>
3. The surplus lines agent must enter their surplus lines license number, pin number and password (please contact Ken Kops to obtain a password at kkops@mt.gov)

Hello

License:

Pin:

Password:

Works best with



Login

4. After the surplus lines agents license number, pin number and password (passwords can be obtained at the CSI) are entered the and the login button has been pressed the next screen to appear will be as follows:

MONTANA SURPLUS LINES

| | |
|-----------------|----------|
| | JEB TOPS |
| | 704683 |
| | 6/1/2011 |
| Submissions | 0 |
| Endorsements | 0 |
| Cancellations | 0 |
| Premium | |
| Pemium Tax | |
| Stamping Fees | |
| Inspection Fees | |
| Fire Premium | |
| Fire Tax | |

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5. From this screen, the surplus lines agent can review transactions previously entered by clicking the account button, enter a policy by clicking on the submission selection, cancel an entire policy or a portion of a previously submitted policy premium through the cancellation selection (includes a decrease in premium due to audits), add endorsement premium through the endorsement selection (includes premium increases due to audits) or exit the Montana surplus lines electronic policy filing website by selecting Bye.

Accounts - From the Accounts Selection, the agent can access data from previously submitted surplus lines policies such as, Premium; Inspection Fees; Premium Taxes owed; Fire Premium; Fire Taxes owed; and Stamping Fees Owed. At this time the agent can only search from the policies listed on viewing screen.

MONTANA SURPLUS LINES

| Premium | Inspection | Premium Tax |
|---------|------------|-------------|
| | | |

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6. **Submission Form - Part 1 – Producing Producer Section -** The surplus lines agent is required to enter the following information which is obtained from a completed Montana Surplus Lines Submission form:

- Policy holder or insured name
- The Montana street address where the insured risk is located
- Policy number (enter the number as assigned by the insurance company)
- The nearest Montana city where the geographic risk is located
- The zip code of the location
- If a binder is used for the submission instead of a declaration page, this binder box should be checked
- If the risk is included in the Approved Risk List or White List the appropriate risk should be selected from the drop down menu.

- h. If the approved risk is selected the prepared will be moved to the producing producer section
- i. If the risk is not on the approved risk list, the surplus lines producer must provide a description of the risk in a complete sentence.
- j. The surplus lines agent must, in complete sentences, provide an explanation as to why this risk is unavailable from an authorized insurer
- k. The prior insurer must be selected from the drop down menu. If more than one prior insurer exists, list the lead prior insurer or the prior insurer who retained the most risk. If the company is not listed, please contact Tim Morris at either 406-444-4489 or tmorris@mt.gov
- l. Provide in complete sentences why the prior insurer did not renew the policy
- m. If a renewal was offered, enter the renewal quote
- n. If the agent is seeking the 10% and \$1,500 exception under MCA 33-4-32)(1)(d)(I) and 2, this box must be checked. If this box is checked, the amount of the quotes from the three authorized insurers must be entered. If the company is not listed, please contact Tim Morris at either 406-444-4489 or tmorris@mt.gov
- o. The financial rating agency must be selected if the 10% and \$1,500 exception is requested
- p. The financial rating of the company must be selected and the as of date that is listed in the rating.
- q. The surplus lines agent must list the name of three authorized insurers that were contacted to complete the producing producer's diligent search from the drop down menu. If the company is not listed, please contact Tim Morris at either 406-444-4489 or tmorris@mt.gov
- r. If the 10% and \$1,500 exception is requested the quote from the three authorized insurers must be entered
- s. the producing producers agent license number must be entered, which will generate the agents name
- t. The producing producer's agency must be selected from the drop down menu. A number of producing producers may be associated with more than one agency
- u. The date the producing producer signed the submission form must be entered

7. Submission Form - Part 2 – Montana Surplus Lines Insurance Producer Section - The surplus lines agent is required to enter the following information which is obtained from a completed Montana Surplus Lines Submission form:

- a. The Montana Surplus Lines Agent license should be entered, which will generate the surplus lines agent name
- b. The surplus lines agents agency name will need to be selected from the drop down menu in case of any agency changes
- c. The date the surplus lines agent signed the submission form will need to be entered in the Date box

8. Submission Form - Part 3 – Premium Tax Fee Information Center

- a. The surplus lines insurance company will need to be selected from the drop down menu. If the company is not listed, please contact Tim Morris at either 406-444-4489 or tmorris@mt.gov
- b. If the Underwriters at Lloyds is selected the appropriate syndicates will need to be added in the following format, 33, 318, 510, 1200, 4472, etc. It should be noted that a Lloyd's syndicate number may have changed from the prior year. Contact Tim Morris at either 406-444-4489 or at tmorris@mt.gov if you have any questions
- c. The policy period will need to be entered beginning with the effective date through the last date of policy coverage
- d. The limits of coverage will need to be entered
- e. The portion of the base policy premium will need to be entered. The base policy premium is the amount charged by the insurance company, prior to the addition of inspection fees. If this is a multi-state policy, only enter the premium associated with the risks located in Montana. The premium entered in this box will be beginning point for adjustments to premium that may occur during the policy period. All additions to

premium via endorsements or audit adjustments will be entered through the endorsement form. All reductions to the premium through cancellations or audit adjustments will be through the cancellation form. If premium is improperly reported in the initial filing of the surplus lines policy, the initial premium must be adjusted through the endorsement or cancellation form.

- f. Fire premium must be entered. Fire premium is associated with property risks. If the fire premium cannot be identified separately, use 60% of the property premium to calculate the fire premium. This rule applies if the policy includes V&MM and/or Theft; however, if these coverage's are excluded, then the entire premium then would then be subject to the 2.5% fire tax. If the property premium is not identified use 60% of the whole premium to report the fire premium.
- g. The inspection fees must be entered for the actual amount of the inspection. Please note that only inspection fees can be charged in Montana. Policy fees are not allowed.
- h. The electronic filing system will calculate the applicable premium tax, fire tax, and stamping fees associated with each surplus lines filing. Please note that electronically filed policies have a stamping fee of 0.05%. Paper filed policies have a 1% stamping fee.
- i. The surplus lines agent must check the box to verify the information is correct. If the box is not checked, the filing cannot be submitted.
- j. After the surplus lines agent checks the verification box, the policy can be submitted. **THE SURPLUS LINES AGENT SHOULD VERIFY THE INFORMATION BEFORE SUBMITTING.** If errors are made in the entry of data in the endorsement form, use the reset button and correct the data.
- k. If the policy is submitted and it later determined that an error(s) were made in the insured information, Part 1 information, and Part 2 Information those changes must be emailed to Kim Benjamin at kbenjamin@mt.gov. All changes to premium amounts must be submitted through endorsement and cancellation forms. The agent must maintain all information relating to electronically filed policies, including emails and copies of endorsement and cancellation forms.

ENDORSEMENT

Policy:

Endorsement:

Company:

Effective Date

Expiration Date:

Endorsement Date:

| Changes | |
|----------------|--------------------------------|
| Premium | <input type="text" value="0"/> |
| Fire Premium | <input type="text" value="0"/> |
| Inspection Fee | <input type="text" value="0"/> |
| Premium tax | <input type="text" value="0"/> |
| Fire Tax | <input type="text" value="0"/> |
| Stamping Fee | <input type="text" value="0"/> |

| Original Submission | |
|---------------------|----------------------|
| Premium | <input type="text"/> |
| Fire Premium | <input type="text"/> |
| Inspection Fee | <input type="text"/> |
| Premium tax | <input type="text"/> |
| Fire Tax | <input type="text"/> |
| Stamping Fee | <input type="text"/> |

SUBMISSION

Insured:

Address:

Policy:

City:

State:

Zip:

Binder: ☐

PART 1: PRODUCING INSURANCE PRODUCER SECTION

Approved risk list Category :

Please describe type of risk:

Explain in detail why insurance for this risk is unavailable from an authorized insurer:

Prior Insurer:

Explain why the prior insurer, if an authorized insurer, did not renew:

If a renewal was offered, what was the renewal quote:

Are you using the 10% AND \$1500 exception (MCA 33-2-3-2(1)(d)(i) and (2) : ☒

Financial solvency rating:

None

Producer License No:

Agent:

Agency:

Date:

PART 2: MONTANA SURPLUS LINES INSURANCE PRODUCER SECTION

Surplus Lines license No: 704683

Agent: JEB TOPS

Agency:

Date:

PART 3: PREMIUM - TAX - FEE INFORMATION SECTION

Unauthorized insurer: Syndicate#:

Policy Period: to: Limits of Coverage:

Policy Premium: Fire Premium:

Premium Tax: (2 3/4%) Fire Tax: (2.5%)

Stamping Fee: (.5%) Inpsection Fee:

☐ I, JEB TOPS have verified the information is correct and the original form was completed with all notary and affidavit requirements being met. The original is available for audit by the Montana Department of Insurance.

Reset

Done

Loc

9. **Endorsement Form** – The endorsement form is used add additional premium to base premium reported in the premium submission, through increased coverage after the effective date of the policy and audit adjustments. The surplus lines agent is required to enter the following information:
 - a. The policy number for the applicable endorsement
 - b. The endorsement number such as 1, or 2 or 3, etc. Endorsement numbers are not to be combined. A separate filing is required for each endorsement.
 - c. The name of the surplus lines insurance company, effective date, and policy expiration date will be automatically generated by the policy number. If the initial policy filing for this endorsement is not found, please check the policy number for accuracy. If the policy number was entered correctly, the initial policy may not have been entered or the

endorsement may be for a policy that was entered by the MSLAA, in its records, prior to the 2009 calendar year. If the initial policy has not been entered, enter the information on the submission form and then enter the endorsement. If the policy is from an effective date prior to January 1, 2009, send in a paper submission form to Surplus Lines, 840 Helena Avenue, Helena MT, 59601.

- d. The effective date of the endorsement will need to be entered. If the endorsement is the result of a premium audit, use the expiration date of the policy.
- e. The surplus lines agent must enter the amount of the endorsement premium
- f. The surplus lines agent must enter the amount of the fire premium
- g. The surplus lines agent must enter the amount of the inspection fee, which is allowed only for the actual cost of the inspection. Other policy fees are not allowed in Montana.
- h. The electronic filing system will automatically calculate the premium tax, fire tax, and stamping fee. Please note that electronically filed policies have a stamping fee of 0.05%. Paper filed policies have a 1% stamping fee.
- i. The electronic filing system will automatically bring up from the original filing, the premium fire premium, inspection fee, premium tax, fire tax, and stamping fee.
- j. If errors are made in the entry of data in the endorsement form, use the reset button to clear the erroneous information.

MONTANA SURPLUS LINES

ENDORSEMENT

| | | | |
|--------------|----------------------|-------------------|----------------------|
| Policy: | <input type="text"/> | Effective Date | |
| Endorsement: | <input type="text"/> | Expiration Date: | |
| Company: | | Endorsement Date: | <input type="text"/> |

| Changes | |
|----------------|--------------------------------|
| Premium | <input type="text" value="0"/> |
| Fire Premium | <input type="text" value="0"/> |
| Inspection Fee | <input type="text" value="0"/> |
| Premium tax | <input type="text" value="0"/> |
| Fire Tax | <input type="text" value="0"/> |
| Stamping Fee | <input type="text" value="0"/> |

| Original Submission | |
|---------------------|----------------------|
| Premium | <input type="text"/> |
| Fire Premium | <input type="text"/> |
| Inspection Fee | <input type="text"/> |
| Premium tax | <input type="text"/> |
| Fire Tax | <input type="text"/> |
| Stamping Fee | <input type="text"/> |

| | |
|---------------------------------------|--------------------------------------|
| <input type="button" value="Submit"/> | <input type="button" value="Reset"/> |
|---------------------------------------|--------------------------------------|

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- 10. Cancellation Form – The cancellation form is used to decrease premium reported in the premium submission form, subsequent endorsements and audit adjustments. The surplus lines agent is required to enter the following information:**
- a. The policy number must be entered**
 - b. The cancellation number (similar to the endorsement number), such as 1, 2, 3, etc.**
 - c. The electronic filing system will automatically generate the surplus lines insurance company, effective date, and expiration date of the policy. If the initial policy filing for this cancellation is not found, please check the policy number for accuracy. If the policy number was entered correctly, the initial policy may not have been entered or the cancellation may be for a policy that was entered by the MSLAA, in its records, prior to the 2009 calendar year. If the initial policy has not been entered, enter the information on the submission form and then enter the information for the cancellation. If the policy is from an effective date prior to January 1, 2009, send in a paper submission on the Endorsement/Cancellation form to Montana Commissioner of Securities and Insurance, Surplus Lines, 840 Helena Avenue, Helena MT, 59601.**
 - d. The effective date of the endorsement will need to be entered. If the endorsement is the result of a premium audit, use the expiration date of the policy.**
 - e. The surplus lines agent must enter effective date of endorsement. If this is a flat cancellation, use a date prior to the effective date of the policy, otherwise paid stamping fees will not be refundable.**
 - f. The surplus lines agent must enter the amount of the cancelled premium which is obtained from the surplus lines insurance company**
 - g. The surplus lines agent must enter the amount of the cancelled fire premium**
 - h. The surplus lines agent must enter the amount of the cancelled inspection fee, if any.**
 - i. The electronic filing system will automatically calculate the premium tax, fire tax, and stamping fee.**
 - j. The electronic filing system will automatically bring up from the original filing, the premium fire premium, inspection fee, premium tax, fire tax, and stamping fee.**
 - k. If errors are made in the entry of data in the endorsement form, use the reset button**

CANCELLATION

Policy: Cancellation:

Company:

Effective Date

Expiration Date:

Endorsement Date:

| Returned | |
|----------------|--------------------------------|
| Premium | <input type="text" value="0"/> |
| Fire Premium | <input type="text" value="0"/> |
| Inspection Fee | <input type="text" value="0"/> |
| Premium tax | 0 |
| Fire Tax | 0 |
| Stamping Fee | 0 |

| Original Submission | |
|---------------------|----------------------|
| Premium | <input type="text"/> |
| Fire Premium | <input type="text"/> |
| Inspection Fee | <input type="text"/> |
| Premium tax | <input type="text"/> |
| Fire Tax | <input type="text"/> |
| Stamping Fee | <input type="text"/> |

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Done



PLEASE NOTE THE SURPLUS LINES FILING MUST BE MADE TO THE MONTANA COMMISSIONER OF SECURITIES AND INSURANCE, OFFICE OF THE STATE AUDITOR WITHIN 60 DAYS OF THE EFFECTIVE DATE OF THE POLICY